

HOUSE BILL No. 1829

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-3; IC 4-4-3.

Synopsis: Economic development corporation. Replaces the department of commerce with the department of tourism and community development for purposes of administering programs concerning tourism and community development programs. Transfers economic development duties of the department of commerce to the economic development corporation and energy development responsibilities to the department of environmental management. Provides that the economic development corporation is responsible for overseeing the operations of the Indiana small business development corporation and the Indiana economic development council.

Effective: July 1, 2003.

Bosma, Murphy

January 23, 2003, read first time and referred to Committee on Appointments and Claims.

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Introduced

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1829

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-3-12-2 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2003]: Sec. 2. (a) The articles of incorporation
3 and bylaws of the Indiana small business development corporation
4 must provide that:

5 (1) the exclusive purpose of the corporation is to contribute to the
6 strengthening of the economy of the state by encouraging the
7 organization and development of new business enterprises,
8 including technologically oriented enterprises;

9 (2) the board of directors of the corporation is composed of:

10 (A) ~~the lieutenant governor or~~ the lieutenant governor's
11 designee;

12 (B) two (2) persons appointed by the governor from
13 recommendations provided by statewide business
14 organizations;

15 (C) two (2) persons appointed by the governor to represent
16 local host organizations of the small business development
17 center network; and

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(D) four (4) persons appointed by the governor, who must have experience in business, finance, education, entrepreneurship, or technology development;

~~(3) the governor shall appoint one (1) of the members of the board of directors to serve as chairman of the board at the pleasure of the governor;~~ **shall elect one (1) of the members to serve as chairperson;**

(4) subject to subdivision (6), the corporation may receive money from any source, may enter into contracts, and may expend money for any activities appropriate to its purpose;

(5) subject to subdivision (6), the corporation may appoint staff and do all other things necessary or incidental to carrying out the functions listed in section 3 of this chapter;

(6) the exercise of the corporation's powers under this chapter is subject to the review and approval of the economic development corporation;

~~(6) (7)~~ any changes in the articles of incorporation or bylaws must be approved by the ~~governor;~~ **economic development corporation;**

~~(7) (8)~~ the corporation shall submit an annual report to the governor and to the Indiana general assembly on or before the first day of November for each year;

~~(8) (9)~~ the annual report shall include detailed information on the structure, operation, and financial status of the corporation;

~~(9) (10)~~ the corporation shall conduct an annual public hearing to receive comment from interested parties regarding the annual report, and notice of the hearing shall be given at least fourteen (14) days prior to the hearing in accordance with IC 5-14-1.5-5(b); and

~~(10) (11)~~ the corporation is subject to an annual audit by the state board of accounts, and the corporation shall bear the full costs of this audit.

(b) Not more than five (5) of the members of the board of directors of the corporation may be members of the same political party.

SECTION 2. IC 4-3-13.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 13.7. Economic Development Corporation

Sec 1. As used in this chapter, "corporation" refers to the economic development corporation established by section 2 of this chapter.

Sec 2. (a) There is established a body politic and corporate, not



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a state agency but an independent instrumentality exercising essential public functions, to be known as the economic development corporation.

(b) The corporation is composed of the following twenty-one (21) members, none of whom may be members of the general assembly:

(1) Three (3) persons appointed by the governor who must be employed in or retired from the private or nonprofit sector but may not represent organized labor. Appointments made under this subdivision are also subject to the requirements of subsection (c).

(2) Three (3) persons appointed by the lieutenant governor who must be employed in or retired from the private or nonprofit sector but may not represent organized labor. Appointments made under this subdivision are also subject to the requirements of subsection (c).

(3) Two (2) persons appointed by the speaker of the house of representatives who must be employed in or retired from the private or nonprofit sector. One (1) of these appointees must represent organized labor and the other appointee may not represent organized labor.

(4) Two (2) persons appointed by the minority leader of the house of representatives who must be employed in or retired from the private or nonprofit sector. One (1) of these appointees must represent organized labor and the other appointee may not represent organized labor.

(5) Two (2) persons appointed by the president pro tempore of the senate who must be employed in or retired from the private or nonprofit sector. One (1) of these appointees must represent organized labor and the other appointee may not represent organized labor.

(6) Two (2) persons appointed by the minority leader of the senate who must be employed in or retired from the private or nonprofit sector. One (1) of these appointees must represent organized labor and the other appointee may not represent organized labor.

(7) One (1) person appointed by the president of Indiana University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(8) One (1) person appointed by the president of Purdue University who must be employed in or retired from the

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private or nonprofit sector or academia, but may not represent organized labor.

(9) One (1) person appointed by the president of Indiana State University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(10) One (1) person appointed by the president of Ball State University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(11) One (1) person appointed by the president of the University of Southern Indiana who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(12) One (1) person appointed by the president of Ivy Tech State College who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(13) One (1) person appointed by the president of Vincennes University who must be employed in or retired from the private or nonprofit sector or academia, but may not represent organized labor.

(c) The governor and lieutenant governor shall coordinate their appointments under subsection (b)(1) and (b)(2) so that those appointments include at least one (1) representative from each of the following industry sectors:

(1) Advanced manufacturing, such as automotive, electronics, aerospace, robotics, or engineering design technology.

(2) Information technology, such as informatics, certified network administration, software development, or fiber optics.

(3) Life sciences, such as orthopedics, medical devices, biomedical research and development, pharmaceutical manufacturing, agribusiness, nanotechnology, or molecular manufacturing.

(4) Logistics, such as high technology distribution, intermodal ports, or flow and storage of goods, services, and information.

(5) Public utilities (as defined in IC 8-1-2-1).

Sec. 3. The terms of office of the members of the corporation are as follows:

(1) Members appointed by the governor, lieutenant governor, president pro tempore of the senate, or minority leader of the

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senate serve for terms of four (4) years.

(2) Members appointed by the speaker of the house of representatives, the minority leader of the house of representatives, or the president of a university or college serve for terms of two (2) years.

Each member shall hold office for the term of appointment and shall continue to serve after expiration of the appointment until a successor is appointed and qualified. Members are eligible for reappointment.

Sec. 4. (a) The governor may designate a member of the corporation appointed by the governor under section 2(b)(1) of this chapter to serve as chairperson. However, if the governor does not designate a chairperson, the members shall elect a chairperson from among the members.

(b) The members of the corporation are entitled to a salary per diem for attending meetings equal to the per diem provided by law for members of the general assembly. The members of the corporation shall receive reimbursement for actual and necessary expenses on the same basis as state employees.

Sec. 5. Fourteen (14) members constitute a quorum for the transaction of business. The affirmative vote of at least eleven (11) members is necessary for any action to be taken by the corporation. Members may vote by written proxy delivered in advance to any other member who is present at the meeting.

Sec. 6. Meetings of the corporation shall be held at the call of the chairperson or whenever any five (5) members request a meeting. The members shall meet at least once every three (3) months to attend to the business of the corporation.

Sec. 7. (a) The corporation may, without the approval of the attorney general or any other state officer, employ bond counsel, other legal counsel, technical experts, and other officers, agents, and employees, permanent or temporary, the corporation considers necessary to carry out the efficient operation of the corporation.

(b) The corporation shall determine qualifications, duties, compensation, and terms of service for persons designated in subsection (a).

(c) Employees of the corporation are not employees of the state.

Sec. 8. The corporation is granted all powers necessary or appropriate to carry out and effectuate the corporation's public and corporate purposes under this chapter.

Sec. 9. The purpose of the corporation is to improve the quality

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of life for the citizens of Indiana by encouraging:

- (1) the diversification of Indiana's economy;
- (2) the creation of new jobs;
- (3) the retention of existing jobs;
- (4) the growth and modernization of existing industry; and
- (5) the promotion of the state.

Sec. 10. The corporation shall be responsible for overseeing the operations of the Indiana small business development corporation under IC 4-3-12-1 and the Indiana economic development council under IC 4-3-14.

Sec. 11. The corporation may incur debt. Debt incurred by the corporation does not represent or constitute a debt of the state within the meaning of the Constitution of the State of Indiana or Indiana statutes.

SECTION 3. IC 4-3-14-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. (a) The articles of incorporation or bylaws of the corporation, as appropriate, must provide that:

- (1) the exclusive purpose of the corporation is to contribute to the strengthening of the economy of the state by:

- (A) coordinating the activities of all parties having a role in the state's economic development through evaluating, overseeing, and appraising those activities on an ongoing basis;

- (B) overseeing the implementation of the state's economic development plan and monitoring the updates of that plan; and

- (C) educating and assisting all parties involved in improving the long range vitality of the state's economy;

- (2) the board must include:

- (A) ~~the governor;~~

- ~~(B)~~ (A) a designee of the lieutenant governor;

- ~~(C)~~ the chief operating officer of the corporation;

- ~~(D)~~ the chief operating officer of the corporation for Indiana's international future; and

- ~~(E)~~ (B) additional eight (8) persons appointed by the governor, not more than four (4) of whom may be of the same political party, who are actively engaged in Indiana in private enterprise, organized labor, state or local governmental agencies, and education, and who represent the diverse economic and regional interests throughout Indiana;

- (3) the governor shall serve as members shall elect a chairman of the board of the corporation, and the lieutenant governor shall serve as the members, with the approval of the economic development corporation, shall select an chief executive officer

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executive director of the corporation;

(4) the ~~governor members~~ shall ~~appoint~~ **elect** as vice chairman of the board a member of the board engaged in private enterprise;

(5) the ~~lieutenant governor~~ **executive director of the corporation** shall be responsible as ~~chief executive officer~~ for overseeing implementation of the state's economic development plan as articulated by the corporation and shall oversee the activities of the ~~corporation's chief operating officer~~ **corporation**;

(6) the ~~governor may appoint an executive committee composed of members of the board (size and structure of the executive committee shall be set by the articles and bylaws of the corporation);~~

(7) ~~(6)~~ **subject to subdivision (7)**, the corporation may receive funds from any source and may expend funds for any activities necessary, convenient, or expedient to carry out its purposes;

(7) the exercise of the corporation's powers under this chapter is subject to the review and approval of the economic development corporation;

(8) any amendments to the articles of incorporation or bylaws of the corporation must be approved by the ~~governor~~; **board of the economic development corporation;**

(9) the corporation shall submit an annual report to the governor and to the Indiana general assembly on or before the first day of November for each year;

(10) the corporation shall conduct an annual public hearing to receive comment from interested parties regarding the annual report, and notice of the hearing shall be given at least fourteen (14) days prior to the hearing in accordance with IC 5-14-1.5-5(b); and

(11) the corporation is subject to an annual audit by the state board of accounts, and the corporation shall bear the full costs of this audit.

(b) **Subject to subsection (a)(7)**, the corporation may perform other acts and things necessary, convenient, or expedient to carry out the purposes identified in this section, and it has all rights, powers, and privileges granted to corporations by IC 23-17 and by common law.

SECTION 4. IC 4-4-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. As used in this chapter:

"Department" shall mean the department of ~~commerce~~ **tourism and community development** provided for by this chapter.

"Director" shall mean the director of the department.

SECTION 5. IC 4-4-3-2 IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2003]: Sec. 2. There is hereby created a state department to be known as the department of ~~commerce~~ **tourism and community development**. The lieutenant governor, by virtue of his office, shall serve as director of the department and commissioner of agriculture, and he shall receive no additional salary in these capacities.

SECTION 6. [EFFECTIVE JULY 1, 2003] (a) **The duties conferred on the department of commerce relating to energy policy are transferred to the department of environmental management, established by IC 13-13-1-1, on July 1, 2003.**

(b) **The rules adopted by the department of commerce concerning energy policy before July 1, 2003, are considered, after June 30, 2003, rules of the department of environmental management until the department of environmental management adopts replacement rules.**

(c) **On July 1, 2003, the department of environmental management becomes the owner of all real and personal property relating to energy policy of the department of commerce.**

(d) **Any fund relating to energy policy under the control or supervision of the department of commerce on June 30, 2003, shall be transferred to the control or supervision of the department of environmental management on July 1, 2003.**

(e) **The legislative services agency shall prepare legislation for introduction in the 2004 regular session of the general assembly to organize and correct statutes affected by the transfer of responsibilities to the department of environmental management by this act.**

(f) **This SECTION expires June 30, 2004.**

SECTION 7. [EFFECTIVE JULY 1, 2003] (a) **The duties conferred on the department of commerce relating to tourism and community development are transferred to the department of tourism and community development, established by IC 4-4-3-2, as amended by this act, on July 1, 2003.**

(b) **The rules adopted by the department of commerce concerning tourism and community development before July 1, 2003, are considered, after June 30, 2003, rules of the department of tourism and community development until the department of tourism and community development adopts replacement rules.**

(c) **On July 1, 2003, the department of tourism and community development becomes the owner of all real and personal property relating to tourism promotion and community development of the department of commerce.**

(d) **Any fund relating to tourism and community development**

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1 under the control or supervision of the department of commerce on
 2 June 30, 2003, shall be transferred to the control or supervision of
 3 the department of tourism and community development on July 1,
 4 2003.

5 (e) The legislative services agency shall prepare legislation for
 6 introduction in the 2004 regular session of the general assembly to
 7 organize and correct statutes affected by the transfer of
 8 responsibilities to the department of tourism and community
 9 development by this act.

10 (f) This SECTION expires June 30, 2004.

11 SECTION 8. [EFFECTIVE JULY 1, 2003] (a) The duties
 12 conferred on the department of commerce relating to economic
 13 development in Indiana, except those relating to energy policy or
 14 tourism and community development, are transferred to the
 15 economic development corporation, established by IC 4-3-13.7, as
 16 added by this act, on July 1, 2003.

17 (b) The rules adopted by the department of commerce, except
 18 those related to energy policy and tourism and community
 19 development, before July 1, 2003, concerning the duties of the
 20 department of commerce are considered, after June 30, 2003, rules
 21 of the economic development corporation until the corporation
 22 adopts replacement rules.

23 (c) On July 1, 2003, the Indiana economic development
 24 corporation becomes the owner of all real and personal property,
 25 except the real and personal property related to energy policy and
 26 tourism and community development, of the department of
 27 commerce.

28 (d) Any fund under the control or supervision of the department
 29 of commerce, except funds related to energy policy and tourism
 30 and community development, on June 30, 2003, is transferred to
 31 the control or supervision of the economic development
 32 corporation on July 1, 2003.

33 (e) The legislative services agency shall prepare legislation for
 34 introduction in the 2004 regular session of the general assembly to
 35 organize and correct statutes affected by the transfer of
 36 responsibilities to the economic development corporation by this
 37 act.

38 (f) This SECTION expires June 30, 2004.

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